

Key Facts About the Small Business Health Options Program (SHOP) Marketplace

The Small Business Health Options Program (SHOP) Marketplace is now open and ready to help you get health coverage for your small businesses. Here are some important questions and answers about the federal SHOP Marketplace that'll help you with your application and enrollment. This information may differ in states that run their own SHOP Marketplace. If your state runs its SHOP Marketplace, [visit your state's website for more information](#).

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1. What is the Small Business Health Options Program Marketplace?

The Small Business Health Options Program (SHOP) Marketplace is a new program that simplifies the process of buying health insurance for small businesses. In 2014, SHOP helps employers with 50 or fewer full-time equivalent employees shop for, choose, and offer their employees high quality private health plans that fit their needs and budget. Beginning no later than January 1, 2016, SHOP will be available to employers with 100 or fewer full-time equivalent employees.

2. How do I know if I'm eligible to use the SHOP Marketplace?

To participate in the SHOP Marketplace, you must:

- Have a principal business address within the state where you're buying coverage, or you can offer coverage to each eligible employee through the SHOP Marketplace account serving that employee's primary worksite. ([Find out who to contact for help with this. See question 45.](#))
- Have at least one common-law employee on payroll (not including a business owner or sole proprietor or their spouses if they're on payroll). For the definition of a common-law employee, visit the IRS website at [irs.gov/Businesses/Small-Businesses-&Self-Employed/Employee-\(Common-Law-Employee\)](https://irs.gov/Businesses/Small-Businesses-&Self-Employed/Employee-(Common-Law-Employee)).
- Employ 50 or fewer full-time equivalent employees (FTEs), including part-time employees. For example, 2 half-time employees equal 1 full-time equivalent employee. Beginning no later than January 1, 2016, SHOP will be available for employers with 100 or fewer FTEs.

To calculate full-time equivalent employees when you apply for SHOP:

- Use the most recent year.
- Exclude seasonal employees (those working fewer than 120 days a year) from all calculations.
- Count the number of people who worked an average of 30 or more hours a week.
- Add to this amount the number of hours worked during the month by non-full time employees divided by 120.
- Offer coverage to **all your full-time employees** — those working an average of 30 or more hours per week.

3. If my business is determined eligible for SHOP, can my spouse and I participate in SHOP coverage?

Yes. Once your business is determined to be eligible for coverage in the SHOP Marketplace, business owners and their respective spouses may sign up for SHOP coverage.

4. When can I enroll my small businesses in the SHOP Marketplace?

To start coverage on January 1, 2014, you must select a plan to offer your employees and your employees must enroll in the plan by December 15, 2013. You submit your employees' applications along with your completed employer application.

You can apply for coverage any time after that. To get coverage, you must submit your completed application along with your employees' applications by the 15th of any month for coverage to take effect on the 1st of the following month.

For example, if you enroll by April 15th, coverage will begin May 1st. If you enroll between April 16th and April 30th, coverage will begin June 1st.

5. How long is the open enrollment period for employees?

That's up to you. There are no minimum requirements on how long the initial enrollment period must be for your employees.

6. How many of my employees must enroll in the SHOP Marketplace?

In many states, 70% of your eligible employees must enroll in the plan(s) you offer in order for you to participate in the SHOP Marketplace at any point during the year. This percentage may be different in your state. ([Learn about the rule in your state. See question 7.](#))

When doing this calculation:

- **Don't** include dependents of your employees or employees with coverage through another job, another person's job, Medicare, Medicaid, the Department of Veterans Affairs (VA), the Indian Health Service, or TRICARE. For example, if you have 10 employees but one has coverage through the VA and another has Medicare, you'll do the 70% calculation based on 8 employees, not 10.
- **Do** include employees with other types of individual health insurance. In the example above, if 2 of the 8 employees have private health insurance policies they bought themselves, you should include them in the calculation.
- There's an exception to the 70% rule that applies in most states. From November 15 - December 15 each year, you can get coverage through the SHOP Marketplace without having to meet this minimum participation requirement. This allows employers who don't meet the required participation level to offer a SHOP plan.
- Upon your renewal in 12 months, if you choose to enroll in the same health plan, you'll need to meet SHOP's minimum participation rate.

7. Which states require employers to meet a minimum participation rate other than 70%?

State	SHOP Marketplace minimum participation rate
Arkansas	75%
Iowa	75%
New Hampshire	75%
New Jersey	75%
South Dakota	75%
Tennessee	50%
Texas	75%

8. Can I make changes to my small employer coverage through the SHOP during the year?

No. You can change what plans you'll offer to your employees and contribution amounts only during your annual enrollment period. However, you may add or subtract employees and dependents throughout the year. Your plan year is a 12-month period starting on your effective date of coverage.

Your annual open enrollment period begins at least 60 days before the end of your plan year and will last at least 30 days. During this time you can renew your plan, make changes to your plan offering, or change to a new plan. You must also establish an annual enrollment period of at least 30 days for your employees before the end of your plan year.

9. What is a Special Enrollment Period?

A Special Enrollment Period is a time outside of your annual enrollment period during which a qualified employee or, if you offer dependent coverage, a qualified employee's dependent, may have a right to sign up for your coverage or make changes to their coverage choices. Job-based plans must provide a Special Enrollment Period of 30 days following certain life events that involve a change in family status or loss of other health coverage. If you don't offer dependent coverage, a Special Enrollment Period applies only to qualified employees. ([For examples of life events, see question 10.](#))

10. What are some examples of life events that would trigger a Special Enrollment Period in the SHOP Marketplace?

- A dependent is added through marriage, birth, adoption, or placement for foster care
- An employee or dependent loses minimum essential coverage, such as when an employee loses job-based coverage or the plan in which the employee is enrolled is no longer certified by the SHOP Marketplace to offer coverage
- An employee moves to a new state and gains access to an employer's health plan
- An employee's enrollment or non-enrollment in a plan is the result of the error, misrepresentation, or inaction of an officer, employee, or agent of the Health Insurance Marketplace or the U.S. Department of Health and Human Services (HHS). These instances will be evaluated and decided by the Health Insurance Marketplace
- An employee proves to the Marketplace that the plan in which he or she is enrolled has violated a provision of its contract in relation to the enrollee

11. When does the SHOP Marketplace need to be notified of a life event that triggers a Special Enrollment Period?

An employee must notify the SHOP Marketplace of a life event that triggers a Special Enrollment Period **no later than 30 days from the date of the event**. Employees that either become eligible for or lose eligibility for Medicaid or the Children's Health Insurance Program (CHIP) have 60 days from the date of the event to notify the SHOP Marketplace. If an employee doesn't notify the SHOP Marketplace within the required timeframe, the employee must wait until their next annual enrollment period to make a change.

12. When will a change in coverage become effective after a SHOP Marketplace is notified of a life event that triggers a Special Enrollment Period?

This depends on the type of event that triggered the Special Enrollment Period. In most cases if the SHOP Marketplace is notified by the 15th of the month, the change will become effective the 1st of the following month. If the SHOP Marketplace is notified after the 15th, the effective date for the new coverage option is the first day of the second month following the notification.

If the employer offers dependent coverage, some life events allow for the change to become effective on the day it occurs, like the birth of a child, adoption, and placement for adoption or foster care. The SHOP Marketplace must be notified within 30 days of these events.

In the case of marriage or loss of other coverage, the effective date for the change is always the 1st of the month. The month the change becomes effective depends on when the SHOP Marketplace is notified. For example:

- If an employee gets married on January 5, 2014 and reports it on January 10, 2014, the coverage start date will be February 1, 2014.
- If an employee gets married on January 5, 2014 and reports it on January 31, 2014, the coverage start date will be February 1, 2014.
- If an employee gets married on January 5, 2014 and reports it on February 1, 2014, the coverage start date will be March 1, 2014.

13. How can I create a Marketplace account?

To set up a Marketplace account, visit HealthCare.gov/marketplace/shop/ and click on the "Apply Now" link. Click on the link to "Set up a Marketplace account online" and follow 3 steps:

1. Provide some basic information like your name, address, and email address
2. Choose a user name and password
3. Create security questions for added protection

You'll get an email confirming account creation. The email will explain how to access your Marketplace account and go to the application. Before starting the SHOP application, you'll be asked to complete an identity proofing section.

14. What is identity proofing?

Identity proofing allows the Marketplace to confirm your identity and ensure your security. Only authorized/registered users can access the portion of the website that contains employer and employee specific information. Only users who need to access this private information will be able to view protected information, such as personally-identifiable information, through the SHOP Marketplace.

15. Why should I submit personal information for identity proofing?

During the identity proofing process, the Marketplace collects personal information unique to you. We'll use your answers to the challenge questions to identify you later in case you forget or misplace your Marketplace user name or password. Your personal information won't be used for other purposes.

16. What name should I provide in the First Name, Last Name fields when I register?

You should provide your first and last name as they appear in legal documents, like your driver's license or passport. Don't use the name of your company. If you have a suffix in your name like Sr., Jr., or II, include it in the suffix field as it appears on legal documents.

Small business enrollment application

17. How do I access a SHOP Marketplace application?

Visit HealthCare.gov/marketplace/shop/ and click "Apply Now". Once you set up a Marketplace account, you'll have access to the SHOP Marketplace application.

18. How do I apply to participate in the SHOP Marketplace?

To get ready to offer insurance to your employees through the SHOP Marketplace, you can do 2 things now:

1. Review health and dental plans and prices available in your area at HealthCare.gov/shop-health-plan-information/ and HealthCare.gov/shop-dental-plan-information/.
2. Fill out a paper application and mail it in, and finish enrollment online in November.

You can also wait until November to handle the entire application process online. When you fill out the online application — on your own or with the help of an agent, broker, or other assister — you can compare plans, prices and coverage in a way that's easy to understand. You'll need to complete all 5 sections of the employer application:

1. Start your application by completing information about yourself and your business
2. Estimate what it will cost to offer coverage to your employees
3. Decide what coverage to make available to your employees
4. Let employees choose whether or not to enroll in the offered coverage (and, in some cases, their dependents)
5. Enroll your business in the SHOP Marketplace

19. What am I agreeing to in the privacy policy?

You agree that you've received consent from all employees listed on the application to use their personal information to determine eligibility.

20. What is an agent/broker?

Generally, agents/brokers are people or entities licensed by the state and appointed by an insurance company to help individuals, as well as employers and their employees, enroll in the insurance company's

plans. They can help you apply for and enroll in coverage in the SHOP Marketplace. The agent/broker should have a National Producer Number (NPN). He or she must sign an agreement with the SHOP Marketplace regarding the privacy and security of personal information provided during the application and enrollment process. After initial enrollment, agents/brokers can also help you and your employees with changes to your coverage during the coverage year.

21. How can my agent/broker help me enroll?

An agent/broker can help you and your employees fill out the SHOP application. You should enter the agent/broker's information on your application. After your eligibility is confirmed, the agent/broker can help you and your employees enroll in a plan.

Agents/brokers can also help you with other SHOP issues, such as helping add or remove employees from the employee roster after the initial application has been submitted.

22. What are Navigators and how can they help me with enrollment?

A Navigator is an individual or organization trained and able to help consumers, small businesses, and employees of small businesses look for health coverage options through the Marketplace. They can help you complete eligibility and enrollment forms. Unlike most health insurance agents and brokers, Navigators don't have any affiliation with an insurance company. Navigators must provide information to those they help in a fair, accurate, and unbiased manner.

23. What if I don't have the agent's or broker's organization name, User ID, or NPN?

Only the agent/broker or Navigator has this information. You can ask the agent, broker, or Navigator for it when you complete your application. It's optional to choose an agent/broker or Navigator to help you enroll in SHOP.

24. Do I have to complete the employee roster?

Yes. The employee roster provides essential information about each of your employees who will be offered coverage. To help your employees enroll, the SHOP Marketplace will send an email about your coverage offer to all of the employees whose email addresses you provide with this roster. If the roster information is incorrect, this process may not work smoothly. You should make sure the roster information is correct and up to date. You should not rely on this process alone to ensure that your employees receive notice of your offer of coverage.

25. How do I notify my employees that I'm offering coverage through the SHOP Marketplace?

After you estimate your costs and choose your coverage, the SHOP Marketplace will send an email about your offer of coverage to all the employees whose email address you provided on your employee roster. This email will include each employee's unique access code and a link to the SHOP website where they can fill out the employee application. You can also send reminder emails to employees who haven't responded to your offer of coverage. If the roster information is incorrect, however, this process may not work smoothly. You should make sure that the roster information is correct and up to date.

It remains **your responsibility** to ensure that all your employees receive information about how to enroll in a health plan through SHOP.

26. Can I appeal if I'm determined ineligible to participate in the SHOP Marketplace?

Yes. If you're ineligible to participate in the SHOP Marketplace, you'll receive a notice that includes instructions on how to appeal. You have 90 days from the date in the notice to request an appeal.

27. Under what circumstances can I file an appeal for the SHOP Marketplace?

You have the right to appeal SHOP decisions in 2 cases:

1. You've received a notice that denies you SHOP eligibility.
2. The SHOP Marketplace hasn't made a SHOP eligibility determination in a timely manner.

You have 90 days from the date in the notice denying your eligibility to request an appeal.

28. How do I submit an appeal for SHOP Marketplace eligibility?

You file a SHOP appeal by completing and mailing an appeal request form, or writing your own letter of appeal. The letter should include your name and address, a phone number where you or your authorized representative can be reached, and the reason you believe your eligibility determination is wrong.

29. Can my appeal decision be retroactive to the effective date I provided on my original application?

If the appeal determines that you're eligible for SHOP, the appeal decision must be retroactive to the date the incorrect determination was made. If your eligibility is denied, the appeal decision will be effective as of the date of the denial notice.

If you're denied eligibility for the SHOP Marketplace, you can reapply as soon as you receive the denial, which may be quicker than requesting an appeal.

30. Can I appeal a decision of a state-based SHOP to the federal SHOP Marketplace for reconsideration?

No. Appeal decisions made by a state-based SHOP may not be elevated to the federal SHOP Marketplace for reconsideration.

31. How will I contribute to my employees' and their dependents' premiums?

For SHOP marketplaces where employers may offer employees a choice of plans, you'll first select a [plan category](#) and select a plan within that category to serve as a reference plan. For SHOP marketplaces that don't have this option available in 2014, the plan that you select will be your reference plan.

You'll then define a percentage that you would like to contribute toward premiums for employee-only coverage. If you decide to offer dependent coverage, you'll also define a percentage that you'll contribute toward those premiums. These contribution percentages will be applied toward your reference plan and this amount will be used for the plan that your employees select.

32. If all of my employees pay the same premium amount, how is that calculated?

Depending on state law, you can decide to have employees pay their premiums based on age, or have everyone pay the same premium regardless of age. Premiums could also be affected by the tobacco surcharge. **Your premium contribution will be the same either way.**

When employees pay the same premium amount regardless of age, the Marketplace calculates the average employee premium based on the age range of all employees signing up for coverage.

- What the employee pays and what you contribute is based on this average premium pay amount.
- Every employee will pay the same premium amount and an additional premium will be added on for each employee if they add dependent coverage.
- Contributions for dependents are always based on age in the SHOP Marketplace.
- For example, if the youngest employee enrolling has a premium of \$100 and the oldest employee enrolling has a premium of \$120, the average premium for everyone would be \$110. If you decide to contribute 80% (or \$88) towards the premium payments, each employee will pay \$22. If an employee added 2 dependents to the coverage plan, an additional premium amount will be added for the employee based on the ages of the dependents. Your contribution of 80% (or \$88) for your employees will remain the same.

If your employees pay premiums based on their age, then your contribution of 80% towards the premium payments will vary for each individual employee.

33. Do I have to offer dependent coverage?

No. However, some states may require it. Check with your state's Department of Insurance for specific state requirements.

34. What if I don't know all the information required on the employee worksheet?

The employee worksheet is a tool you'll use in the online SHOP application to estimate your costs and help determine who may be covered. You may want to find out from your employees ahead of time if they are interested in health coverage you may offer, or whether they already have coverage. You'll also get an idea of how many employees may enroll. Exact information isn't necessary if you don't have it. But the more accurate you are, the more precise the premium estimates will be.

In addition, if you want the SHOP Marketplace to calculate dependent premium amounts, you need to enter ages for each dependent that may enroll. If you don't know the exact ages, enter estimates. The exact premium amounts won't be available until after employees enter all required information on their applications.

35. What health benefits do the health plans cover in the SHOP Marketplace?

All plans offered in the SHOP Marketplace cover the same essential health benefits, such as coverage for doctor visits, preventive care, hospitalization, and prescription drugs. Some plans offer additional benefits such as adult dental, vision, and special condition management programs. You'll see health plan benefit information when you compare plans.

36. How are health plans organized?

The SHOP Marketplace provides 4 plan categories based on how your employees and the plan expect to share the costs for health care:

- Bronze – covers 60% of the total average costs of care
- Silver – covers 70% of the total average costs of care
- Gold – covers 80% of the total average costs of care
- Platinum – covers 90% of the total average costs of care

What your employees can expect to pay for things like deductibles and copayments – and the total amount they spend out-of-pocket for the year if they need a lot of care – depends on which plan category you choose. The categories don't reflect the quality or amount of care the plans provide.

When choosing health coverage for your business, keep in mind that in general, the lower the premium, the higher the out-of-pocket costs for your employees and their dependents. The higher the premium, the lower the out-of-pocket costs.

In addition, the SHOP Marketplace may offer qualified dental plans. These plans may cover varying amounts of the total average costs of care. The high coverage level covers 85% of the total average cost of care and the low coverage level covers 70% of the total average cost of care.

37. Can I offer my employees multiple plans?

In most states, not for 2014. During the first year starting January 1, 2014, you can offer only **one** health plan. If that health plan doesn't include pediatric dental coverage, you can also offer one dental plan to employees and their dependents in the SHOP Marketplace. If they select the health plan, employees aren't required to buy that dental plan. In some states in 2014, you can offer multiple plans. When you fill out your SHOP application you'll learn if you can offer one or more plans. In 2015 all SHOP marketplaces will be able to offer multiple health plans.

38. Do I have to offer a stand-alone dental plan to my employees?

No, you don't have to offer a stand-alone dental plan to your employees and their dependents if the health plan you choose doesn't include dental coverage. Choosing not to offer dental coverage won't affect your eligibility to participate in a SHOP Marketplace or receive the small business health care tax credit.

39. How is my employee participation rate calculated in the SHOP Marketplace?

Participation rates in the SHOP Marketplace are calculated by dividing the number of employees enrolling by the number of employees eligible for coverage (those employees listed on your employee roster). Dependents of your employees **are not** included in this calculation. Employees who will be covered through another person's job, Medicare, Medicaid, or the Department of Veterans Affairs, Indian Health Service programs, and TRICARE **are not** included in this calculation. Employees with individual non-group private coverage (including coverage through the individual Marketplace) **are** included in the calculation. [\(Learn more about the participation rate requirement. See question 6.\)](#)

40. What are my options if I don't reach the minimum participation rate for the SHOP Marketplace?

You have 3 options:

1. You can change your offer of coverage if you want to enroll at any time during the year.

For example, you can increase the amount you contribute to employees' insurance premiums to encourage more of them to participate. If you change your offer, your current offer will be cancelled. You'll start the process over using the information from your initial application. You'll also need to set up a new employee enrollment period.

2. You can enroll between November 15 and December 15. The minimum participation requirement doesn't apply during this annual enrollment period.

Upon your renewal in 12 months, if you choose to enroll in the same health plan, you'll need to meet SHOP's minimum participation rate.

3. You can completely withdraw your offer of coverage.

41. If I didn't meet the minimum participation rate when I applied before, can I reapply if I think I can meet it now?

Yes. An employer can reapply at any time during the same calendar year.

42. Can I continue SHOP coverage if I fall below the minimum participation rate during the plan year?

Yes. The minimum participation rate is calculated only during your initial enrollment and when you renew. Mid-year changes in your participation rate won't affect your ability to maintain coverage through the SHOP Marketplace.

43. Can I make my premium payment through the SHOP Marketplace?

For plan years starting in 2014, you'll make premium payments directly to the insurance company. For plan years beginning on or after January 1, 2015, you'll make your premium payments through the SHOP Marketplace. If you have more than one plan, your premium payments will be combined for participating insurance companies.

Account management

44. Can I create multiple SHOP Marketplace accounts?

Yes, employers with business locations in multiple states can participate in multiple SHOP Marketplaces, but can establish only one account per state.

45. Who can I contact with questions or if I need help?

Employers or those assisting an employer should contact the Health Insurance Marketplace Small Employer Contact Center. Employees and those assisting employees should contact the Health Insurance Marketplace Call Center. [See table one for contact information.](#)

Table One

Support Points of Contact	Phone	Who should use
Health Insurance Marketplace Small Employer Contact Center	General inquiries: 1-800-706-7893 TTY: 1-800-706-7915 Hours of operation: Monday – Friday, 9 AM – 7 PM EST	Small employers and those helping small employers
Health Insurance Marketplace Call Center	General inquiries: 1-800-318-2596 TTY: 1-855-889-4325 Hours of operation: Available 24 hours a day, 7 days a week	Employees and those helping employees

